

## Message Text

SECRET

PAGE 01 MANILA 04683 01 OF 02 220957Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----081474 221000Z /23

O 220910Z MAR 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC IMMEDIATE 3371  
INFO SECDEF WASHDC  
JCS  
CINCPAC  
CINCPACAF  
CINCPACREPPHIL  
13TH AF CLARK AB  
CINCPACFLT PEARL HARBOR HI

S E C R E T SECTION 1 OF 2 MANILA 4683

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

E.O. 11652: GDS  
TAGS: MARR, RP  
SUBJECT: PHILIPPINE BASE NEGOTIATIONS

REF: MANILA 4589

1. WE HAVE OBVIOUSLY HAD A DISAPPOINTING REPLY FROM THE FILIPINOS. I CONSIDER IT ONE FURTHER STEP IN THE NEGOTIATING PROCESS AND TAKE SOME ENCOURAGEMENT FROM THE FACT THAT MARCOS, ALTHOUGH PRESENT AT TUESDAY MEETING, DID NOT CLEARLY ENDORSE THE POSITION WHICH ROMULO READ. NEXT STEP, THEREFORE, IS TO EXPLORE MARCOS' VIEWS IN PRIVATE SESSION AND TO STRESS TO HIM PROBLEMS WE HAVE WITH AIDE MEMOIRE.

2. I ALSO PLAN FAREWELL CALLS ON ENRILE, ESPINO AND  
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ROMULO, AND WILL STRESS THE SAME POINTS TO THEM AND ELICIT WHAT FURTHER INSIGHTS THESE PRIVATE DISCUSSIONS MAY DISCLOSE.

3. I WOULD MAKE THESE POINTS TO MARCOS (AT MEETING TENTATIVELY NOW SCHEDULED FOR MARCH 25) AND TO OTHERS AS APPROPRIATE:

A. AIDE MEMOIRE WHICH WE RECEIVED FROM PHILIPPINE SIDE IS OBVIOUSLY DISAPPOINTING. U.S. HAD HOPED THAT DISCUSSIONS TO DATE AND THE COMPLETE PACKAGE SUBMITTED AS A RESULT OF THE UNDERSTANDINGS REACHED IN THE DISCUSSION WOULD HAVE BROUGHT TWO SIDES CLOSER THAN IS APPARENTLY THE CASE FROM READING AIDE MEMOIRE. NEVERTHELESS, WASHINGTON WILL GIVE PHILIPPINE POINTS CAREFUL STUDY AND WILL SEEK TO RESPOND SOMETIME AFTER THE PHILIPPINE ELECTIONS AND AFTER WE HAVE RECEIVED COUNTER-PROPOSALS ON COMPENSATION.

B. IT IS CLEAR FROM OUR DISCUSSIONS TO DATE THAT BOTH GOVERNMENTS RECOGNIZE THAT THE PRESENCE OF THE BASES HAS SIGNIFICANT BENEFITS FOR BOTH SIDES AND THAT THERE IS A NEED TO COOPERATE CLOSELY ON MATTERS PERTAINING TO THE BASES.

C. PURSUANT TO THE UNDERSTANDINGS ON COMPENSATION REACHED IN JANUARY, A VERY SPECIAL EFFORT WAS MADE BY THOSE IN WASHINGTON, WITH THE FULL SUPPORT OF PRESIDENT CARTER AND SECRETARY VANCE, TO FORM A PROPOSAL THAT WOULD MEET CLEARLY EXPRESSED PHILIPPINE DESIRES. WE NOTE THE OBVIOUS PHILIPPINE PREFERENCE FOR A FIRM MULTI-YEAR COMMITMENT BUT AS INDICATED IN SEPTEMBER AND AGAIN IN JANUARY THIS IS NOT POSSIBLE. WE ARE SURPRISED THAT  
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PHILIPPINE GOVERNMENT CONSIDERS THE COMPENSATION OFFER TOO LOW. WHAT WE HAVE PROPOSED COMES IN FACT VERY CLOSE TO 1976 PROPOSAL AND IS CONSISTENT WITH ARRANGEMENTS ELSEWHERE. THIS ALSO HAD ADDED ADVANTAGE OF AT LEAST TACIT CONGRESSIONAL APPROVAL AND INCLUDES A MORE FLEXIBLE FORM OF ASSISTANCE. AT THIS POINT WE ASK THAT THE PHILIPPINE COUNTER-PROPOSAL TAKE INTO ACCOUNT THE REALITIES OF OUR CONGRESSIONAL AND POLICY LIMITATIONS. IT WOULD NOT FURTHER OUR DISCUSSIONS FOR US TO BE PRESENTED WITH A TOTALLY UNREASONABLE COUNTER-PROPOSAL.

D. WE REMAIN READY, IF THE PRESIDENT SO WISHES, TO REACH FULL AGREEMENT ON ALL NECESSARY AMENDMENTS TO THE MILITARY BASES AGREEMENT IN THE ABSENCE OF AN AGREEMENT ON COMPENSATION AND TO IMPLEMENT SUCH AN AGREEMENT. WE ALSO REMAIN READY, IF THE PRESIDENT FEELS THAT HIS POLITICAL SITUATION DICTATES AGAINST NEW BASE ARRANGEMENTS ON THE TERMS WE HAVE PROPOSED, TO CONTINUE THE STATUS QUO.

E. THE STATUS OF THE WATERS OF SUBIC BAY IS OBVIOUSLY A CRITICAL PROBLEM. ONE CANNOT OPERATE A

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FM AMEMBASSY MANILA  
TO SECSTATE WASHDC IMMEDIATE 3372  
INFO SECDEF WASHDC  
JCS  
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S E C R E T SECTION 2 OF 2 MANILA 4683

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

NAVAL BASE WITHOUT THE ABILITY TO PREVENT  
INFILTRATION, TO CONTROL TRAFFIC, AND TO INSURE  
SAFETY OF NAVIGATION. AN AGREEMENT ON OUR SIDE  
WILL NOT BE POSSIBLE WITHOUT EFFECTIVE U.S. CONTROL  
OVER WATERS ADJACENT TO THE LAND AREAS OF THE U.S.  
FACILITY.

F. CRIMINAL JURISDICTION REMAINS AN OBVIOUS  
PROBLEM. WE REGRET THAT THE PRESIDENT HAS NOT  
SEEN FIT TO SET THIS ASIDE. WE REITERATE OUR  
WILLINGNESS TO ACCEPT ANY REVIEW PROCEDURE CONSISTENT  
WITH U.S. NEED TO MAKE FINAL DETERMINATION IN OFFICIAL  
DUTY CASES CONSONANT WITH OUT WORLDWIDE PRACTICE.

G. WITH RESPECT TO THE PHILIPPINE BASE COMMANDER,  
WE AGREE THAT HIS DUTIES AND RESPONSIBILITIES MUST  
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BE CLEAR. HOWEVER, THEY MUST NOT CONFLICT WITH THE  
ACCEPTED CONCEPTS OF UNHAMPERED U.S. OPERATIONS AND U.S.  
COMMAND AND CONTROL OVER U.S. FACILITIES AND PERSONNEL.  
ACCORDINGLY, PLANS AND POLICIES AND IMPLEMENTING  
DIRECTIVES IMPACTING ON U.S. FACILITIES AND PERSONNEL  
MUST BE JOINTLY AGREED AND PROMULGZED.

H. WE RECOGNIZE THAT CERTAIN ITEMS ON THE  
MILITARY EQUIPMENT LIST COULD NOT BE SUPPLIED. THE  
PHILIPPINE GOVERNMENT WAS ADVISED OF THESE LIMITATIONS  
AT THE TIME OF THE GRAHAM VISIT SO THESE SHOULD NOT  
HAVE COME AS A SURPRISE. THE U.S. HAS SOUGHT TO MEET  
THE PHILIPPINE DESIRE FOR GREATER FLEXIBILITY  
IN MILITARY PROCUREMENT, HOWEVER, THROUGH THE USE OF  
SECURITY SUPPORTING ASSISTANCE AND THROUGH OUR WILLING-  
NESS TO AMEND THE PRESENT ASSISTANCE AGREEMENT TO PERMIT  
THIRD COUNTRY PRUCHASES.

4. IN ASSESSING THE LATEST AIDE MEMOIRE AND IN PLANNING  
OUR NEXT APPROACH TO THE PHILIPPINES, I THINK IT IS  
WELL TO KEEP IN MIND THE NATURE OF THEIR STAFF WORK AND  
CURRENT POLITICAL ATMOSPHERE. AIDE MEMOIRE WAS OBVIOUSLY  
A HURRIED JOB (JUST AS MILITARY EQUIPMENT LIST HAD BEEN),  
FULL OF PAST POSITIONS AND EMOTIONAL REACTIONS. MARCOS  
SEEMED PREOCCUPIED, POSSIBLY WITH ELECTIONS, AND ALLOWED  
EACH ACTOR TO ATTEMPT TO OUTDO THE OTHER IN THE STRENGTH  
OF HIS NATIONALISM. BUT MARCOS STILL HOLDS THE KEY AND  
I HOPE TO GUAGE HIS VIEWS MORE DEEPLY IN PRIVATE. IN  
THE LAST ANALYSIS, HOWEVER, MARCOS CANNOT TOTALLY INGORE  
THE SENTIMENTS WHICH COME OUT IN THE AIDE MEMOIRE.

5. DEPARTMENTAL ADVICE ON TALKING POINTS ABOVE REQUESTED  
BEFORE SATURDAY A.M. MANILA TIME.

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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** NEGOTIATIONS, MILITARY BASE AGREEMENTS, AIDE MEMOIRE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Review Markings:**  
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